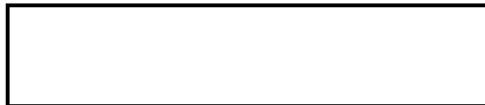


11 May 1959

STATINTL

To:



Subject: K Racks

Ref: File Nr. 4868, dated 14 April 1959

At the time of the most recent cancellation of Data Reduction racks, we reported a K rack completed except for testing time, and suggested that it might not be the most economical move to cancel it. The C.O., however, advised us to cancel, and it became contract cancellation equipment. He further advised us that your K rack requirements would be filled by shipment of two each from us and supplemented by the transfer of two racks from Customer A.

The contract has, in its latest amendment, been amended to reduce Customer A's order by two each, thereby tying our hands. We would suggest your contacting Customer A directly to make any arrangements for this rack. We could not ship this rack to you without receiving a contract amendment for one more K rack.

Sincerely,



STATINTL

DDeS/kw